

SENATE BILL NO. 225

INTRODUCED BY J. WELLS

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING, UNDER CERTAIN CONDITIONS, THE DETERMINATION OF THE MODEL YEAR FOR VEHICLES SUBJECT TO LIGHT VEHICLE REGISTRATION FEES, THE LOCAL OPTION VEHICLE TAX, AND FEES IN LIEU OF TAX; MAKING THE DESIGNATED MODEL YEAR OF LIGHT VEHICLES SUBJECT TO LIGHT VEHICLE REGISTRATION FEES AND THE LOCAL OPTION VEHICLE TAX CORRESPOND WITH THE PURCHASE YEAR FOR THE PURPOSES OF IMPOSING LIGHT VEHICLE REGISTRATION FEES AND THE LOCAL OPTION VEHICLE TAX IF THE PURCHASE YEAR PRECEDES THE MODEL YEAR; MAKING THE DESIGNATED MODEL YEAR OF BUSES, TRUCKS, AND TRUCK TRACTORS SUBJECT TO FEES IN LIEU OF TAX CORRESPOND WITH THE PURCHASE YEAR FOR THE PURPOSES OF IMPOSING FEES IN LIEU OF TAX IF THE PURCHASE YEAR PRECEDES THE MODEL YEAR; AMENDING SECTIONS 61-3-503, 61-3-529, AND 61-3-561, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 61-3-503, MCA, is amended to read:

"61-3-503. Assessment. (1) Except as provided in 61-3-520 and subsection (4) of this section, the following apply to the taxation of motor vehicles:

(a) For the purposes of imposing the local option vehicle tax under 61-3-537, light vehicles subject to the provisions of 61-3-313 through 61-3-316 must be assessed as of the first day of the registration period, using the depreciated value of the manufacturer's suggested retail price as determined in subsection (2).

(b) A lien for taxes and fees due on the vehicle occurs on the anniversary date of the registration and continues until the fees and taxes have been paid. If the depreciated value is less than \$500, the department shall value the vehicle at \$500.

(2) (a) Except as provided in subsections (2)(c) and (2)(d), the depreciated value for the taxation of light vehicles is computed by multiplying the manufacturer's suggested retail price by a percentage multiplier based on the type and age of the vehicle determined from the following table:

1	Age of Vehicle		Type of Vehicle			
	2 (in years)	Automobile	Truck	Van	Sport Utility	
3	-1	100%	100%	100%	100%	
4	0	90	96	93	98	
5	1	80	91	86	94	
6	2	69	86	78	90	
7	3	58	80	69	84	
8	4	49	73	60	76	
9	5	41	66	52	67	
10	6	33	57	45	57	
11	7	26	49	38	48	
12	8	21	43	32	39	
13	9	17	37	27	33	
14	10	14	31	22	29	
15	11	12	26	18	25	
16	12	10	22	15	22	
17	13	09	18	13	21	
18	14	09	15	11	19	
19	15	09	13	09	17	
20	16	09	12	09	15	

21 (b) ~~(i) The~~ Except as provided in subsection (2)(b)(ii), the age for the light vehicle is determined
 22 by subtracting the manufacturer's model year of the vehicle from the calendar year for which the tax is
 23 due.

24 (ii) If the purchase year of a vehicle subject to the local option vehicle tax precedes the designated
 25 model year of the vehicle and the vehicle is originally titled in Montana, then the purchase year is
 26 considered the model year for the purposes of determining the local option tax.

27 (c) If the value of the vehicle determined under subsection (2)(a) is \$500 or less, the value of the
 28 vehicle is \$500 and the value must remain at that amount as long as the vehicle is registered.

29 (d) The depreciated value of a light vehicle that is 17 years old or older is computed by
 30 depreciating the value obtained for the vehicle at 16 years old, as determined under subsection (2)(a), by

1 10% a year until a minimum value of \$500 is attained. The value must remain at that amount as long as
2 the vehicle is registered.

3 (3) (a) For the purposes of this section, "manufacturer's suggested retail price" means the price
4 suggested by the manufacturer for each given type, style, or model of light vehicle produced and first
5 made available for retail sale by the manufacturer.

6 (b) The manufacturer's suggested retail price is based on standard equipment of a vehicle and
7 does not contain price additions or deductions for optional accessories.

8 (c) When a manufacturer's suggested retail price is unavailable for a motor vehicle, the department
9 shall determine an alternative valuation for the vehicle.

10 (4) The provisions of subsections (1) through (3) do not apply to buses, trucks having a
11 manufacturer's rated capacity of more than 1 ton, truck tractors, motorcycles, motor homes, quadricycles,
12 travel trailers, campers, mobile homes or manufactured homes as those terms are defined in 15-1-101(1)."

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14 **Section 2.** Section 61-3-529, MCA, is amended to read:

15 **"61-3-529. Schedule of fees for buses, motor vehicles having rated capacity of more than 1 ton,**
16 **and truck tractors -- proration -- exemption.** (1) (a) There is a fee in lieu of property tax imposed on buses,
17 trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors. The fee is in addition
18 to annual registration fees.

19 (b) The fee imposed by subsection (1)(a) is not required to be paid by a dealer of buses, trucks,
20 or truck tractors that constitute inventory of the dealership.

21 (2) Subject to the conditions of subsection (4), the owner of a bus, truck with a manufacturer's
22 rated capacity of more than 1 ton, or truck tractor shall pay a fee in lieu of tax based on the age and
23 manufacturer's rated capacity of the vehicle according to the following schedule:

Age of Vehicle		Rated Capacity (in pounds)		
(in years)	16,999 or less	17,000-26,999	27,000-54,999	55,000 or more
1 or less	\$234	\$334	\$568	\$750
2	218	300	500	600
3	200	268	440	532
4	184	234	368	484
5	166	218	320	390

1	6	150	200	268	334
2	7	132	182	234	294
3	8	116	166	200	250
4	9	100	150	184	218
5	10	82	116	158	184
6	11-12	66	100	134	152
7	13-14	56	74	104	122
8	15-16	50	60	76	94
9	17-18	36	52	58	72
10	19-20	26	38	44	52
11	21 or more	20	24	32	40

12 (3) (a) The Except as provided in subsection (3)(b), the age of the vehicle is determined by
 13 subtracting the manufacturer's model year of the vehicle from the calendar year for which the fee in lieu
 14 of tax is due.

15 (b) If the purchase year of a vehicle subject to the fee in lieu of tax under this section precedes
 16 the designated model year of the vehicle and the vehicle is originally titled in Montana, then the purchase
 17 year is considered the model year for the purposes of determining the fee in lieu of tax.

18 (4) (a) The manufacturer's rated capacity for a bus or truck with a manufacturer's rated capacity
 19 of more than 1 ton is the manufacturer's rated gross vehicle weight.

20 (b) The manufacturer's rated capacity for a truck tractor is the manufacturer's rated gross
 21 combined weight.

22 (5) A motor vehicle brought into the state or otherwise used for the exclusive purpose of filming
 23 motion pictures or television commercials is exempt from the fee in lieu of tax if the vehicle does not
 24 remain in the state for a period in excess of 180 consecutive days in a calendar year.

25 (6) Except as provided in 61-3-520, the fee in lieu of tax on a vehicle subject to this section that
 26 is brought or driven into this state by a nonresident person for hire, compensation, or profit must be
 27 prorated according to the ratio that the remaining number of months in the year bears to the total number
 28 of months in the year.

29 (7) (a) The fee in lieu of tax on a vehicle subject to this section that is registered in the state for
 30 the first time must be prorated as provided in subsection (6).

(b) The fee in lieu of tax on a vehicle subject to this section that is reregistered in the state is for a full year.

(8) The fee in lieu of tax may not be refunded."

Section 3. Section 61-3-561, MCA, is amended to read:

"61-3-561. Schedule of fees for light vehicles -- limitation on fee -- payment of fee required for operation. (1) The following schedule, based on the age of the vehicle age, is used to determine the annual registration fee imposed by 61-3-560:

<u>Age of Vehicle</u> Age (in years)	Annual Fee
4 or less	\$195
5-10	65
11 or more	6

(2) A light vehicle subject to the registration fee imposed by 61-3-560 may not be operated unless the fee has been paid and the vehicle is licensed. A lien for fees due on the vehicle occurs on the anniversary date of the registration and continues until the fees have been paid.

(3) ~~(a) For the purposes of this section, "vehicle age" means~~ Except as provided in subsection (3)(b), the age of the vehicle is determined by subtracting the manufacturer's model year of the vehicle from the calendar year for which the registration fee is due.

(b) If the purchase year of a light vehicle precedes the designated model year of the light vehicle and the light vehicle is originally titled in Montana, then the purchase year is considered the model year for the purposes of determining the light vehicle registration fee."

NEW SECTION. **Section 4. Effective date.** [This act] is effective January 1, 2002.

NEW SECTION. **Section 5. Applicability.** [This act] applies to vehicles purchased after December 31, 2001.

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